



News Release

Pat Quinn, Governor

Jay Rowell, Director

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State Receives \$2.3 Million to Fight Fraud and Abuse *Competitive Grant Recognizes Illinois' Effort, Progress*

CHICAGO – Federal officials awarded the Illinois Department of Employment Security (IDES) \$2.3 million to enhance programs that guard against waste, fraud and abuse of the unemployment insurance program, the Department announced today. The competitive grants also recognize Illinois' initiatives to make the program fair for workers and employers, thereby improving the state's business climate and economy.

"Fighting waste, fraud and abuse are not empty words. Our integrity programs have saved taxpayers more than \$239 million in the past two years," IDES Director Jay Rowell said. "The vast majority of workers enjoy the dignity that comes with earning a paycheck, just as the vast majority of employers respect their workforce and are a positive influence in their communities. Stealing from them hurts every taxpayer because it slows our economy and drives up the cost of doing business."

The U.S. Department of Labor grant will be used to enhance existing anti-fraud programs and evaluate new initiatives. These programs help everyone because they lessen the need to raise the employer taxes that fund unemployment insurance benefits. The most common types of fraud are improperly collecting unemployment insurance while working or an employer misstating its obligations to avoid paying taxes.

Anti-fraud efforts include monthly wage reporting, which allows IDES to more quickly identify individuals collecting unemployment insurance while working; garnishing federal tax returns to put money back into the Trust Fund from which benefits are paid; strengthening the anti-fraud unit with attorneys from Attorney General Lisa Madigan; and the ability to hold individuals personally liable if they know their company's tax obligations were purposefully under-reported to avoid paying taxes.

Authority for many of these programs were part of Gov. Quinn's bi-partisan reforms in November 2011 that are expected to save businesses more than \$400 million, provide 16 percent unemployment insurance tax reductions for companies that did not lay off workers and punish those who defraud the unemployment insurance program.

Unemployment insurance benefits are funded through business contributions. These temporary dollars most often are spent for essentials at the local grocery, gas station and clothing store, thereby supporting the local economy. Every \$1 in unemployment insurance benefits generates about \$2 in economic activity.

Report fraud at (800) 814-0513, (312) 793-8333 or in writing at www.ides.illinois.gov at the bottom of the page.

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